

NEW SECTION. Sec. 25. The sum of forty-nine thousand dollars, or as much thereof as may be necessary, is appropriated for the biennium ending June 30, 1991, from the general fund to the insurance commissioner for the purposes of section 21 of this act.

NEW SECTION. Sec. 26. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately.

NEW SECTION. Sec. 27. Sections 20 through 24 of this act shall constitute a new chapter in Title 48 RCW.

NEW SECTION. Sec. 28. Any additional expenditures incurred by the University of Washington from provisions of this act shall be funded from existing financial resources.

NEW SECTION. Sec. 29. Sections 1 through 8, 10 through 17, 19 and 28 of this act shall constitute a new chapter in Title 70 RCW.

NEW SECTION. Sec. 30. If specific funding for the purposes of sections 1 through 19 of this act, referencing this act by bill number, is not provided by June 30, 1990, in the omnibus appropriations act, sections 1 through 19 of this act shall be null and void.

Passed the Senate March 8, 1990.

Passed the House March 8, 1990.

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CHAPTER 272

[Senate Bill No. 6411]

INVESTMENT IN HUMAN CAPITAL

AN ACT Relating to investment in human capital; creating new sections; providing an expiration date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The legislature finds that demographic and economic changes are causing an increasing shortage of well trained workers within Washington. The working age population is growing at a decreasing rate due to the aging of the post World War II baby boom generation and due to a lower rate of birth. The current economic boom in the state is aggravating this long-term trend by lowering the rate of unemployed individuals seeking work. Because of the developing labor shortage, Washington businesses increasingly need to employ individuals from demographic groups which have been traditionally underrepresented among the employed population. Many of these and other individuals need training in order to have the skills required by employers. Despite economic growth,

significant unemployment remains a serious and persistent problem in many areas of the state. By making first rate training available to individuals who lack suitable skills for employment in well-paying careers, the state will enhance employment opportunities for low-income individuals, unemployed persons, dislocated workers, and others enabling more citizens of the state to enjoy our economic prosperity.

The legislature further finds that our state's businesses have a growing need for highly trained workers because of the increasing technological complexity of occupations and due to increasing world market competition. Because of these technical and economic changes, businesses in the future will need to fully utilize the capacities of their workers for skilled, flexible, and intelligent work.

The legislature further finds that the vast majority of the work force for the year 2000 and beyond is already of the age eighteen years or older. For the work force of the future to be well trained will require a first-rate adult training system. This system will need to train those individuals who are entering and reentering the labor market and those individuals already employed who need new or updated skills to meet changing technological and economic conditions. For the training system to be first rate will require a system that is well coordinated between service providers, is accountable for its performance, and is responsive to the needs of businesses and the work force. The legislature recognizes the importance of designing a system of vocational education that can accommodate change and includes program evaluation and coordination. The training system must emphasize training in broad-based skills with long-term career potential. For the state to have a first rate training system requires a thorough study of our present and future training needs; experimentation in new ways of providing training; and leadership and recommendations from representatives of business, workers, and training providers.

The legislature further finds that adults without the basic skills needed for training in job skills are more likely to need unemployment compensation and welfare payments, and to fill our state's correctional institutions. The legislature intends to assess adult educational opportunities in the state for adults lacking basic literacy skills, for adults who have not received a high school diploma, and for adults who have received a high school diploma but whose level of achievement, based on standard measures, indicates that additional basic skills are necessary in order to enter a job training program.

The legislature recognizes that successful implementation of the study recommendations called for in section 4 of this act is directly related to resolving the issue of vocational education governance. Therefore, it is the intent of the legislature that the governance of the first two years of postsecondary education not under the jurisdiction of a four-year institution of higher education be the responsibility of one state agency to provide high

quality education, to avoid duplication of programs, and to assure increased access to vocational programs for all students including youth and adults.

NEW SECTION. Sec. 2. Unless the context clearly requires otherwise, the definitions in this section apply throughout this act.

(1) "Basic literacy" means achievement at a tenth grade educational level as measured by standardized tests.

(2) "Council" means the advisory council on investment in human capital.

(3) "Training" means any education, literacy, or skill training or re-training activity that is needed by an individual to begin or continue full participation in the Washington work force.

(4) "Training system" means the network of public and private providers of training, and includes secondary vocational education programs for gainful employment upon completion of a designated program sequence, but not other programs of primary or secondary education.

(5) "Training providers" includes agencies and institutions of secondary vocational education programs for gainful employment upon completion of a designated program sequence, adult education, vocational technical institutes, community colleges, apprenticeship programs, private and public nonprofit organizations that are representative of communities or significant segments of communities and provide job training services, and private for-profit organizations that provide training as their primary service.

(6) "Work force" means all persons of working age including those who are currently gainfully employed and those who are not.

NEW SECTION. Sec. 3. (1) There is created the advisory council on investment in human capital. The council shall consist of six voting members, thirteen nonvoting members, and a nonvoting chairperson. The governor shall appoint the members of the council except for the legislative members. Three of the voting members shall be representatives of business, and three of the voting members shall be representatives of labor. The thirteen nonvoting members shall be a member from each of the two major caucuses in the house of representatives appointed by the speaker of the house, a member from each of the two major caucuses in the senate appointed by the president of the senate, the state superintendent of public instruction or the superintendent's designee, the executive director of the state board for community college education or the director's designee, the commissioner of the department of employment security or the commissioner's designee, the director of the department of labor and industries or the director's designee, a representative of the council of vocational technical institutes, a representative of the general public, a representative of a broad-based coalition of groups providing literacy services, a representative of private or public nonprofit organizations that are representative of communities or significant segments of communities and provide job training

services, and a representative of private for-profit organizations which provide job training services as their primary service. The representative of the council of vocational technical institutes shall consult with vocational technical institute directors, instructors, and advisory council members to prepare policies and plans to implement the recommendations called for in section 4(11) of this act. The governor or the governor's designee shall serve as the nonvoting chairperson of the council.

(2) The council shall advise the office of financial management concerning the study of training authorized under section 4 of this act.

(3) The council shall advise the office of financial management and other appropriate state agencies concerning the pilot programs established under section 5 of this act.

(4) The council shall make recommendations on changes necessary in state policies for training to the office of financial management and to the governor by December 1, 1990.

(5) The office of financial management and the office of the governor shall provide staff to the council as necessary to carry out the purposes of this act.

(6) The council shall meet as necessary to carry out the purposes of this act, and council members shall be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060, or 44.04.120.

NEW SECTION. Sec. 4. (1) The office of financial management shall, with the advice of the council, administer a study of the training needs of the state's work force, businesses, and the economy, including an evaluation of the training system. The office of financial management shall complete the study by December 1, 1990, and present the study to the council and governor. For purposes of the study, the office of financial management shall use already existing data whenever appropriate. As necessary, the labor market and economic analysis unit of the department of employment security shall assist the office of financial management with labor market and economic data, and state agencies that provide training shall assist the office of financial management with data on their training programs. The director of the office of financial management may contract for services necessary for the completion of the study, and shall contract for services as necessary to ensure objectivity in evaluating the training system. The study shall include:

(2) An assessment of the employment competency needs of the present Washington work force, including regional and demographic subgroups of the state work force, and projections of these competencies to the year 2010. Employment competency needs shall include, but not be limited to, literacy, basic skills, and vocational skills;

(3) An assessment of the current work force skill needs of Washington businesses and public employers, including subgroups by region, industry, and firm size, and projections of these needs to the year 2010. Work force

skill needs shall include, but not be limited to, literacy, basic skills, and vocational skills;

(4) An assessment of the gaps which may exist between the competencies of the work force and the work force skill needs of Washington businesses between now and the year 2010 given current training policies;

(5) An assessment of the characteristics, size, and geographic distribution of Washington population groups which are in need of training between now and the year 2010;

(6) An inventory and analysis of alternative training programs, policies, and funding mechanisms including, but not limited to, financial contributions from businesses, workers, and trainees, which have been proposed or are in use in other states or other nations;

(7) An assessment of current data, information, monitoring, and evaluation systems so that training needs and training providers may be assessed on an ongoing, systematic, objective, and comprehensive basis. This assessment shall include integrating an evaluation component into each of the pilot programs authorized under section 5 of this act;

(8) An inventory and analysis of the current training system in terms of organization, including the governance of vocational technical institutes, coordination, responsiveness, accountability, effectiveness, resources, support services for trainees, including but not limited to child care, and access, including access for subgroups of the population, including but not limited to subgroups by gender, race, ethnicity, and income level, and including an analysis of the job readiness of students graduating from the state's K-12 system who have completed a vocational education designated program sequence for gainful employment, and an inventory of training provided by employers whose primary product is not training;

(9) An analysis of current training programs to enable women and minorities to enter occupations and industries in which women and minorities have traditionally been underrepresented, and ways of improving such training;

(10) Recommendations for reducing the percentage of the adult population lacking basic literacy skills to five percent by the year 2010. The recommendations shall provide a framework for interagency collaboration and include:

(a) Recommendations on state policies and objectives to guide the adult literacy activities of the state;

(b) Recommendations on strategies and criteria for coordinating and enhancing adult literacy activities, programs, and services to achieve recommended state policies and objectives, meet the basic skill needs of the adult population, and maximize available state and local resources and expertise devoted to literacy training;

(c) Recommendations on methods to identify and recruit adults lacking basic literacy skills for placement in literacy training programs; and

(d) Recommendations on evaluation criteria to be used to assess literacy program successes and monitor compliance with recommended state policies and objectives;

(11) Recommendations on improving the overall governance of vocational education in this state, including but not limited to:

(a) Recommendations regarding establishing new state agencies or designating existing agencies to be responsible for coordinating vocational education;

(b) A specific recommendation identifying one agency as the governing body for all postsecondary vocational education and the first two years of postsecondary education not under the jurisdiction of a four-year institution of higher education, including identification of the elements necessary to implement this recommendation;

(c) Recommendations on who should be assigned responsibility for those duties assigned by statute and delegated by executive order to the coordinating council for occupational education, the commission for vocational education, the state board for vocational education, the job training councils of the employment security department, and the council on vocational education; and

(d) Determination of ways to effectively develop a comprehensive state plan for vocational education and coordinate vocational education programs;

(12) Recommendations for accountability at the state level for the Washington institute of applied technology and alternative methods for governance; and

(13) Recommendations on changes in the training system, including but not limited to ways of improving coordination and integration to meet the present and future needs of the work force, businesses, and the economy.

NEW SECTION. Sec. 5. (1) The office of financial management and the office of the governor, with the advice of the council, shall oversee the pilot programs for job training. The pilot programs shall test means of integrating delivery systems and improving the responsiveness of training providers to the needs of businesses and the work force. Each pilot program shall integrate an evaluation component in conjunction with the study conducted under section 4 of this act.

(2) The state board for community college education shall, in cooperation with the office of financial management, administer pilot programs which provide additional community college training programs incorporating new means of responding to the needs of businesses and the work force. The state board for community college education shall, as appropriate, coordinate these projects with the economic development services provided by the department of trade and economic development and the employment security department. The state board for community college education may

hire up to thirteen and one-half full time equivalent employees to carry out the pilot programs under this subsection.

(3) The employment security department shall conduct a pilot program for the provision of training and access to related services for workers in timber or wood products industries who have been dislocated from rural firms, or for workers dislocated from rural firms, employing fifty or fewer persons on a full-time basis.

(4) The employment security department shall, in cooperation with the office of financial management and other appropriate state agencies, administer a pilot program on integrating training services with programs for substance abuse prevention and or treatment for youth.

(5) The superintendent of public instruction shall administer a pilot program on integrating adult education instruction within vocational technical institutes. Under this pilot program the vocational technical institutes shall provide two hundred thousand additional hours of adult education instruction.

(6) If all the pilot programs in subsections (2) through (5) of this section are not funded in the 1990 supplemental omnibus appropriations act, the advisory council shall recommend to the governor how to prioritize the pilot projects under this section, and shall also recommend the level of funding for each pilot project.

NEW SECTION. Sec. 6. (1) The legislature finds that school districts may provide vocational education programs for students more effectively through cooperatives using existing district facilities, facilities at work sites, and facilities including but not limited to mobile instructional units, distance learning, and computers, without the need to construct separate facilities. It is the intent of the legislature to encourage such cooperatives among school districts on a demonstration basis.

(2) The superintendent of public instruction may establish a grant award program to establish demonstration vocational cooperatives for the purposes of subsections (1) through (7) of this section. Grants may be awarded for not more than three projects. The cooperatives approved should include projects in urban and rural areas and districts of varying characteristics and size.

(3) Initial applications to participate in the demonstration vocational cooperative program shall be submitted to the superintendent of public instruction not later than June 30, 1990. Each application shall contain a proposed plan that:

- (a) Explains how the plan meets the criteria;
- (b) Describes specific activities to be carried out;
- (c) Identifies the evaluation processes to be used; and
- (d) Includes a copy of the agreement for joint cooperative action pursuant to chapter 39.34 RCW.

(4) The superintendent of public instruction shall administer subsections (1) through (7) of this section subject to legislative appropriation for this purpose. The superintendent shall approve requests based on criteria established by the superintendent and notify districts of grant awards on or before August 1, 1990. The demonstration vocational cooperative projects shall begin with the 1990-91 school year. The grant awards may be continued for up to five years if the funds are so provided.

(5) The grant awards for such demonstration vocational cooperatives shall be based on an allocation which includes:

(a) The same amount as would be calculated pursuant to RCW 28A-.41.140 for a skill center with the same full time equivalent enrollment; and

(b) An amount to compensate the serving districts for costs to administer the cooperatives pursuant to standards established by the superintendent of public instruction.

(6) Following the completion of each year of operation, each demonstration vocational cooperative shall submit an evaluation of the cooperative program to the superintendent of public instruction in accordance with requirements of the superintendent. On or before July 1, 1992, the superintendent of public instruction shall submit a report to the education committees and the economic development committees of the house of representatives and the senate including the cooperative evaluations and recommendations concerning the continuation of this program.

(7) The superintendent of public instruction shall adopt rules under chapter 34.05 RCW if necessary to implement the superintendent's duties under subsections (1) through (6) of this section.

NEW SECTION. Sec. 7. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 8. This act shall expire on July 1, 1991.

NEW SECTION. Sec. 9. (1) If funding for the purposes of section 4 of this act, referencing this act by bill number, is not provided by June 30, 1990, in the supplemental omnibus appropriations act, section 4 of this act shall be null and void.

(2) If funding is not provided for the purposes of section 5 of this act, referencing this act by bill number, is not provided by June 30, 1990, in the supplemental omnibus appropriations act, section 5 of this act shall be null and void.

(3) If specific funding for the purposes of section 6 of this act, referencing this act by bill number, is not provided by June 30, 1990, in the supplemental omnibus appropriations act, section 6 of this act shall be null and void.

NEW SECTION. Sec. 10. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate March 8, 1990.

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CHAPTER 273

[Senate Bill No. 6189]

BOUNDARY REVIEW BOARDS

AN ACT Relating to boundary review boards; amending RCW 36.93.150; adding a new section to chapter 36.93 RCW; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 15, chapter 189, Laws of 1967 as last amended by section 7, chapter 477, Laws of 1987 and RCW 36.93.150 are each amended to read as follows:

The board, upon review of any proposed action, shall take such of the following actions as it deems necessary to best carry out the intent of this chapter:

- (1) Approval of the proposal as submitted;
- (2) Subject to RCW 35.02.170, modification of the proposal by adjusting boundaries to add or delete territory: **PROVIDED**, That any proposal for annexation by the board shall be subject to RCW 35.21.010 and shall not add additional territory, the amount of which is greater than that included in the original proposal: **PROVIDED FURTHER**, That such modifications shall not interfere with the authority of a city, town, or special purpose district to require or not require preannexation agreements, covenants, or petitions: **AND PROVIDED FURTHER**, That a board shall not modify the proposed incorporation of a city with an estimated population of seven thousand five hundred or more by removing territory from the proposal, or adding territory to the proposal, that constitutes ten percent or more of the total area included within the proposal before the board, but shall not reduce the territory in such a manner as to reduce the population below seven thousand five hundred;
- (3) Determination of a division of assets and liabilities between two or more governmental units where relevant;
- (4) Determination whether, or the extent to which, functions of a special purpose district are to be assumed by an incorporated city or town, metropolitan municipal corporation, or another existing special purpose district; or